



2025 OBSERVABILITY FORECAST



MEDIA AND ENTERTAINMENT

Insights and analysis on the

ADOPTION & BUSINESS VALUE

of observability for the Media
and Entertainment industry

Key Findings

AI MONITORING

Nearly a third (30%) of Media and Entertainment (M&E) organizations cite AI adoptions as a top driver for observability—which highlights its role in personalization, automation, and recommendations.



30%
cite AI adoptions as a
top driver for observability

COST OF DOWNTIME

Close to half (46%) report that high-business
impact outages cost over

\$2M USD/HR

with these figures dwarfing those in industries
where there is less consumer engagement.

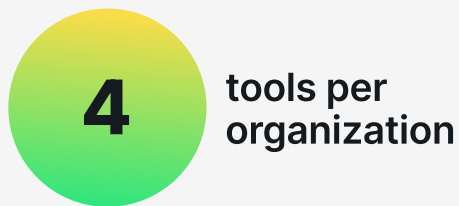
RETURN ON INVESTMENT

2–3x ROI

Over half (51%) of M&E organizations report
a two to three times return on observability
spend, which is significantly higher than the
baseline across all industries.

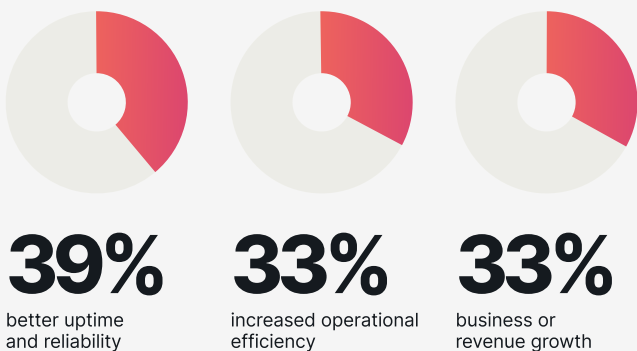
Key Findings Cont'd

TOOL CONSOLIDATION



The median number of observability tools in this industry is four, but 18% of organizations still juggle eight plus tools, highlighting that there is fragmentation across applications and systems.

BUSINESS IMPACT



The top benefits that are cited by executives in this industry include **better uptime and reliability (39%), increased operational efficiency (33%), and business or revenue growth (33%).**

A positive digital experience is table stakes in the M&E industry. **It's the differentiator that can make or break companies.** In a world where a viral social post can tarnish the reputation of a streaming platform, it's clear that viewers, listeners, and gamers expect on-demand content seamlessly.

This places immense pressure on underlying technology to perform flawlessly at scale. Amid a backdrop of intense competition and a steady stream of new content and services, observability has become a critical strategic pillar that directly safeguards revenue, protects brand reputation, and fuels innovation.

The shift to a cloud-native, microservices-based architecture—combined with explosive growth in streaming and mobile platforms—has amplified complexity to unprecedented levels. M&E organizations are now tasked with managing a sprawling ecosystem of applications, third-party services, and content delivery networks (CDNs).

In this environment, the cost of failure is high. Our 2025 Observability Forecast reveals **a high-impact outage carries an average cost of approximately \$2M per hour;** this underscores the considerable financial exposure that comes with even brief disruptions.

In light of these pressures, leading M&E organizations are leveraging observability to gain a competitive edge. They are moving beyond traditional monitoring to build a unified, data-driven approach. This report explores how the M&E industry is grappling with persistent challenges like complex tech stacks and tool sprawl, while prioritizing strategic initiatives.

By analyzing the collective experiences of IT and engineering leaders within M&E, a clear trend arises: **organizations that invest in a mature observability practice are more resilient, more efficient, and better positioned to capitalize on the next wave of digital innovation.**

This report highlights how the M&E industry is adopting observability and the business value it delivers—drawing on insights from 120 global respondents surveyed for the 2025 Observability Forecast.

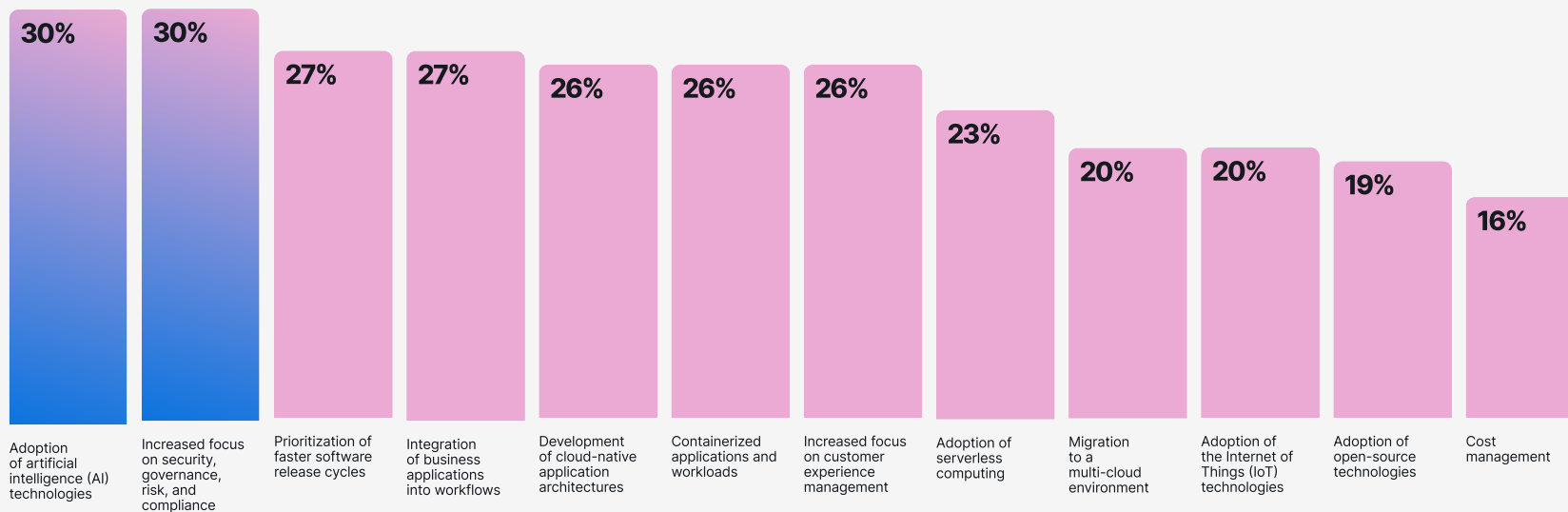
TRENDS DRIVING OBSERVABILITY ADOPTION

The M&E industry faces unique drivers for observability adoption that reflects the convergence of creative and technical demands.

AI AS BOTH A DISRUPTOR AND AN ENABLER

Nearly a third (30%) of M&E organizations say AI adoption is driving their observability strategy. AI is being used to automate incident detection, speed up post-incident reviews, and deliver personalized recommendations at scale. In practice, this means a platform can detect quality drops in real time, roll back problematic deployments, and ensure ad delivery is uninterrupted—all without manual intervention.

Trends driving observability



SCALING FOR UNPREDICTABLE SPIKES

M&E platforms must handle traffic surges during events like sports finals, live concerts, or content premieres. Containerization and new application architectures are cited by 26% as adoption drivers that enable scalability, but introduce complexity. **Observability provides the unified visibility needed** to manage performance across distributed systems.

AUDIENCE EXPERIENCE AS A REVENUE ENGINE

Customer experience management is cited by 26% of M&E organizations as a direct motivator for observability, higher than many industries. This reflects a simple truth: **in entertainment, quality of experience (QoE) is the product.** A single failed stream or broken ad load directly correlates to lost subscriptions or lower CPMs.

AD-TECH INTEGRATION PRESSURES

With the rise of ad-supported models, M&E companies must ensure flawless ad insertion, playback, and measurement. **Observability links infrastructure telemetry to ad performance.** This enables real-time insights into monetization success.

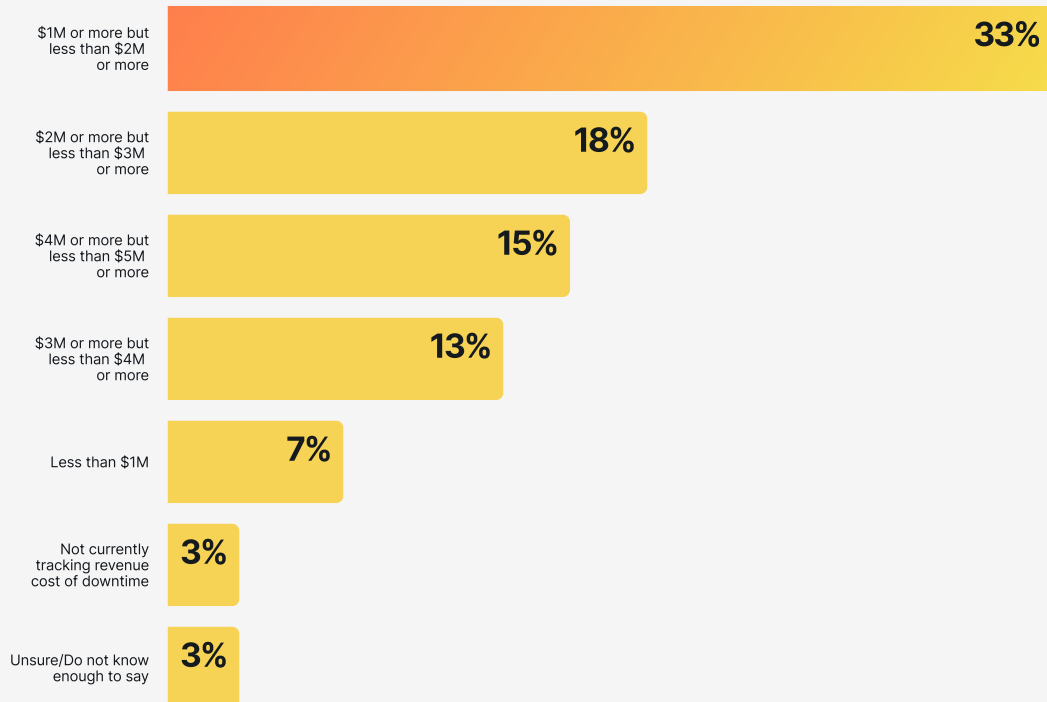
Together, these drivers reveal why M&E organizations see observability as the foundation of competitiveness in the streaming era.

OUTAGE FREQUENCY, DOWNTIME, AND COST

The scale and visibility of outages in M&E **make them uniquely damaging.**

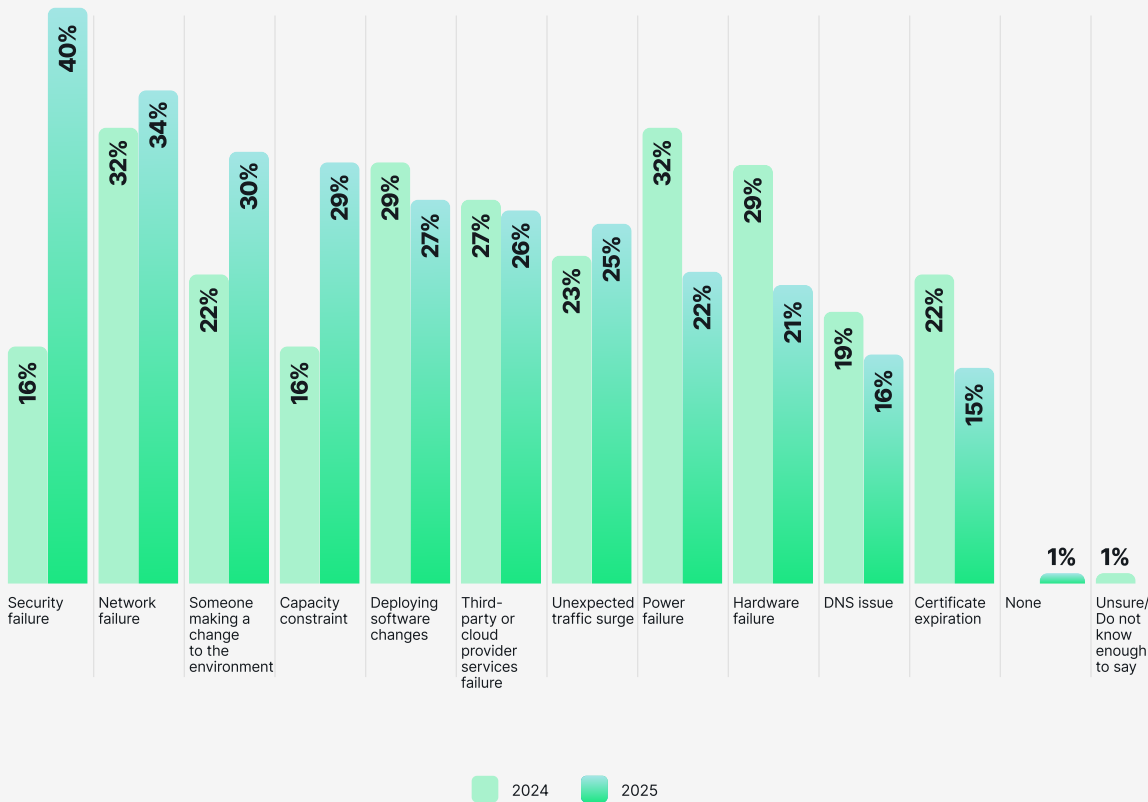
Our survey shows that 33% of respondents incur losses of \$1M–\$2M per hour of downtime, with another 46% reporting costs over \$2M. These figures dwarf those in industries with less direct consumer engagement—a payment API outage may be invisible to customers, but a streaming outage during a finale is front-page news.

Cost of downtime



The causes of outages reflect the complexity of modern delivery chains. Security issues are cited by 40% of respondents, underscoring the risks of distributed infrastructures that must defend against DDoS and credential-based attacks. Network failures (34%) remain the most common trigger, but capacity overloads or constraints (29%) and software deployment errors (27%) are rising concerns, especially as organizations rely more heavily on CDNs, cloud partners, and microservices.

Primary causes of outages



Median outage MTTD



40 MINS
 equates to lost revenue and subscriber churn

Detection and resolution times are similar to the industry median—around 30 minutes to detect and 40 minutes to resolve—but the stakes are higher. A 40-minute outage during a live sports broadcast **not only translates to lost ad revenue, but also drives churn in a subscription-driven business.**

ROI OF OBSERVABILITY



51%
report seeing a 2-3x ROI



37%
report seeing a 1-2x ROI

M&E leaders **report some of the strongest ROI** from observability initiatives across industries.

More than half (51%) say they are realizing a two to three times return on investment, with another 37% seeing a one to two times return. **This means more than four out of five organizations are already seeing measurable payback.**

The ROI comes from three primary levers: reduced downtime costs, improved ad performance, and subscriber retention. For example, preventing even one hour-long outage during a global, live event could cover the annual cost of an observability platform. Similarly, correlating ad delivery metrics with system performance ensures that advertising inventory is monetized at the highest possible rates.

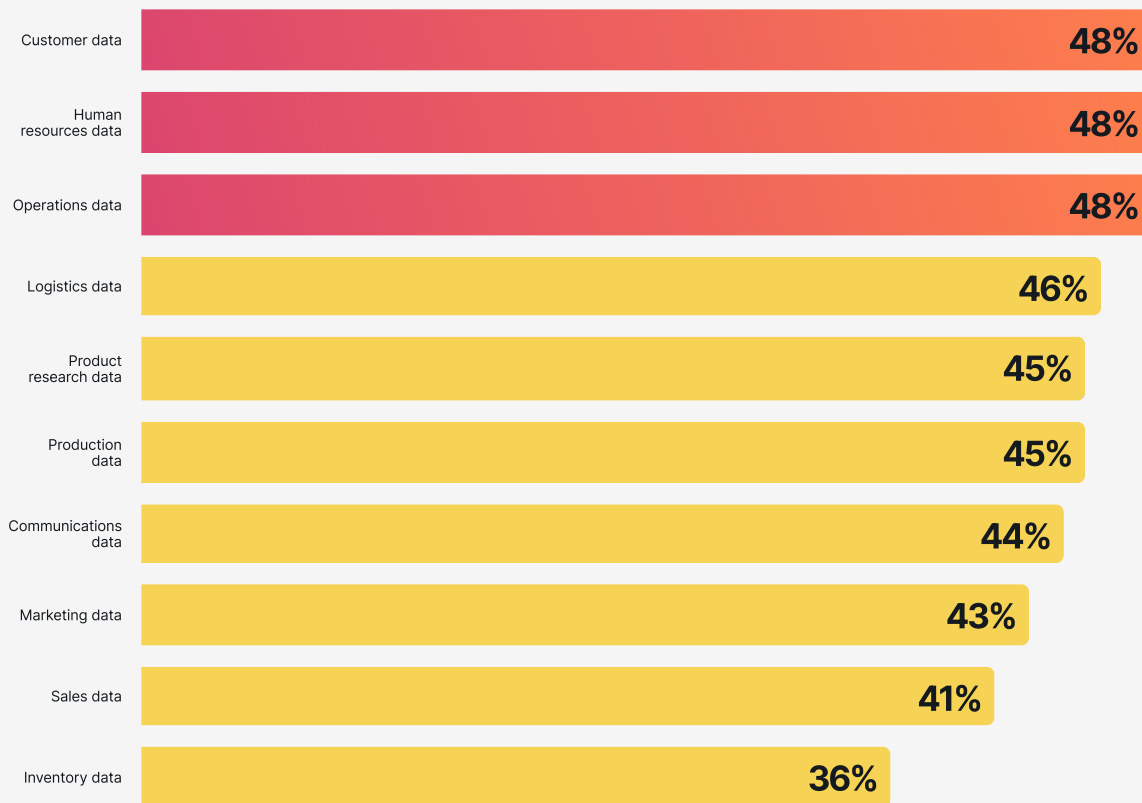
Importantly, **only 5% of respondents say they have not yet seen returns**, a sign that observability is maturing into a proven—not speculative—investment category in M&E.

BUSINESS OUTCOMES

A significant portion of respondents are either **currently integrating or plan to integrate various types of business data** with their telemetry.

This allows an M&E leader to not just see that a service is down, but to quantify the exact business impact in real time. They can see that a 100-millisecond increase in API latency is directly correlated with a 10% drop in new user sign-ups, providing tangible evidence of observability's value.

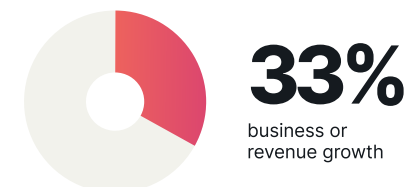
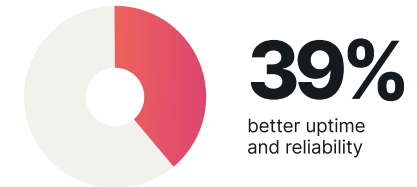
Types of integrated data



M&E organizations are also increasingly measuring observability by the business value it creates, not just the technical data it generates.

- **39%** say observability helps improve system uptime and reliability
- **36%** cite improved real user experience, directly protecting revenue
- **33%** point to improved operational efficiency from observability

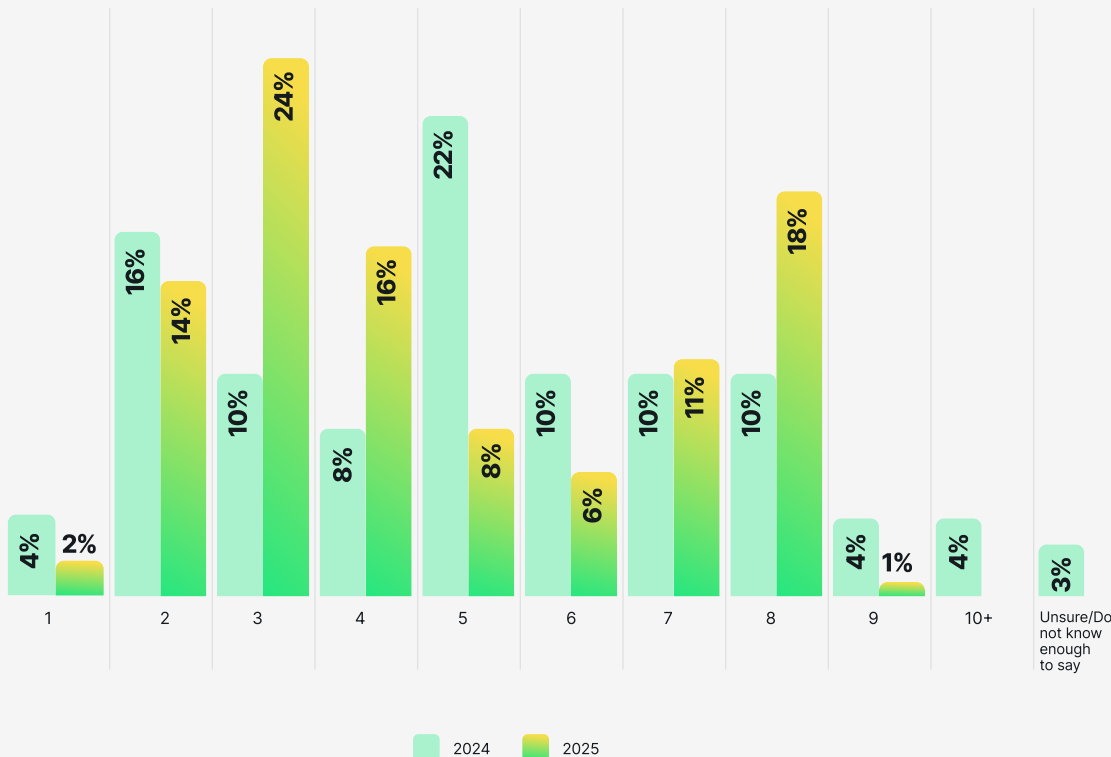
Executives echo these outcomes. Half (50%) of leadership respondents say observability helps them hit technical KPIs, while more than a third (36%) say it strengthens their ability to drive tactical execution. Observability is no longer a back-office IT concern; it is seen in boardrooms as a driver of growth, loyalty, and competitive advantage.



TOOL USAGE AND CONSOLIDATION

Despite the clear ROI, many M&E organizations still struggle with tool sprawl.

Amount of tools



The median number of observability tools in use is four, but nearly one in five (18%) of organizations run eight or more. This reflects the reality that content delivery, ad-tech, and backend systems are often monitored separately—creating silos that limit visibility.

Encouragingly, consolidation is gaining momentum. **A significant improvement from past years, 40% of organizations now run three or fewer tools.** The push toward unified observability reflects the recognition that multiple, disconnected dashboards are insufficient in an industry where milliseconds of latency can mean millions in losses.

The trend is clear: M&E organizations are beginning to **see observability platforms as cost-saving tools**, tying technical telemetry directly to ad performance, subscriber behavior, and content engagement.



CONCLUSION / OBSERVABILITY'S FUTURE

THE M&E INDUSTRY IS AT A CROSSROADS

Fierce competition and unforgiving consumer expectations make the cost of failure higher than ever. **Observability has emerged as the essential infrastructure** that allows organizations to balance creative ambition with technical reliability.

The data from this year's survey provides a clear message: **observability is now a strategic imperative for businesses**. Outages carry a mean cost of \$2M per hour, a figure that highlights how deeply technical failures impact revenue and reputation in an industry where the digital experience is the product.

However, **the return on investment is undeniable**. With more than half of M&E organizations reporting a two to three times return on their observability spending, the practice is a proven catalyst for financial and operational success. This value extends beyond incident response, directly contributing to business outcomes like improved cross-team collaboration, faster incident resolution, and stronger subscriber retention.

The path forward for M&E companies is defined by a continued move toward more integrated and intelligent systems. As the adoption of AI and the need for scalability grow, full-stack observability—spanning everything from AI monitoring and ad delivery, to user journeys—will be a baseline requirement for competitiveness. In an era of fragmented streaming and selective audiences, **observability helps keep the audience engaged by keeping services reliable**.



ABOUT ETR

ETR is an enterprise technology market research firm that delivers actionable, transparent, and unbiased insights to technology companies, institutional investors, and a trusted community of technology leaders, empowering them to make smarter, faster decisions. ETR's proprietary approach is grounded in their vision to reinvent technology market research so that business leaders can strategically position their organizations to outperform the competition. In fact, no other firm harnesses the same scale and makeup of their vetted community to quickly deliver the unbiased data and analysis that financial and enterprise organizations need to achieve better outcomes.

We use our core surveys to collect data and insights directly from technology leaders. Use this information and our proprietary visualizations and models to mine insights and unearth predictors of enterprise technology performance.

We also offer custom market research surveys that can be commissioned with a targeted group of technology leaders. The target group not only can be based on their organization size, sector, and title, but also on a firm's spending intentions and technology stack. Custom surveys are guided by our expert team to determine the best audience, topics, and questions. ETR ensures companies can access the data and gain the edge.

ABOUT NEW RELIC

The New Relic Intelligent Observability Platform helps businesses eliminate interruptions in digital experiences. New Relic is the only platform to unify and pair telemetry data to provide clarity over the entire digital estate. We move problem solving past proactive to predictive by processing the right data at the right time to maximize value and control costs. That's why businesses around the world—including Adidas Runtastic, American Red Cross, Domino's, GoTo Group, Ryanair, Topgolf, and William Hill—run on New Relic to drive innovation, improve reliability, and deliver exceptional customer experiences to fuel growth.

ABOUT THIS REPORT

All data in this report are derived from a survey, which was in the field from April to May 2025 as part of our work in publishing the 2025 Observability Forecast report.

Media/entertainment respondents comprised 120 of the total respondents surveyed in the 2025 Observability Forecast study, or 8%.

ETR qualified survey respondents based on relevant expertise. ETR performed a non-probability sampling type called quota sampling to target sample sizes of respondents based on their country of residence and role type in their organizations (in other words, practitioners and ITDMs). Geographic representation quotas targeted 23 key countries.

All dollar amounts in this report are in USD.

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A decorative footer featuring a vibrant, low-poly landscape in shades of purple, pink, and orange. The scene includes stylized mountains, a bright horizon, and floating celestial bodies like planets and stars. A white, rounded rectangular button is centered in the foreground, containing the text "Learn about the New Relic Platform".

[Learn about the New Relic Platform](#)